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ABSTRACT

The recommendations presented in this report were developed by the Commission on the Future of the North Carolina Community College System to improve the operation, funding, and economic and social returns of the state's community colleges. Section 1 provides a summary of upcoming challenges facing the colleges and the Commission's response to those challenges. Six fundamental changes for improving the system are recommended: (1) provide every community college student access to quality teaching and academic support services; (2) establish mechanisms to promote accountability and increased flexibility in funding; (3) provide opportunities for all adults to master basic critical thinking skills; (4) help business and industry adapt to technological change and promote small business development; (5) build strong partnerships with the public schools and state universities; and (6) develop strong leadership for the system and its colleges. After section 2 reviews the economic conditions that necessitate an exemplary community college system, section 3 identifies various problems experienced by the colleges, including issues related to funding levels, salaries, resource allocation, planning and goal setting, professional development, comprehensive education, access, basic skills, business and industry support, leadership, and state and local governance. Section 4 sets forth the Commission's major goals, and section 5 offers 33 specific recommendations for achieving them. Finally, section 6 presents a timetable for implementing the recommendations. Financial projections are appended. (AJL)

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The Challenge to North Carolina's Community Colleges

*Report of the Commission
on the Future of the
North Carolina Community
College System*

Staff: MDC, Inc.

February 1989

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Message from the Chairman

The recommendations within the report of the Commission on the Future of the North Carolina Community College System represent an educational blueprint that if implemented will allow our state to compete successfully in the national and global economy of today and the next century. The business, education, and government leaders with whom I have worked on this Commission share my conviction that the community college system is an extremely valuable resource with a vital role to play in educating the workforce and in providing business and industry the support necessary to meet the demands of the marketplace. These new demands have placed us at risk, however, and we face an urgent need to provide increased support for the essential and unique resource that is our community college system.

The Commission was established by the State Board of Community Colleges in November 1987. This marked the 25th anniversary of the community college system. It was charged with developing recommendations on policy and action for the next 25 years.

This past year, our 23 Commission members have conducted an extensive investigation of the roles, effectiveness, and potential of the community colleges within our state. Our work was aided by the valuable insights of an advisory panel representing national business and education experts who provided us with their vision of the next century and the challenges it would pose. The full Commission met six times and committees held 16 additional meetings. We held four public hearings, a hearing for community college faculty and staff, and an informational session with community college presidents and trustees. In addition, we gained valuable perspective from interviews with more than 85 individuals outside the system and conducted a survey of business and industry leaders within our state to see how they view and draw upon the community colleges. Special thanks are due to Commission members Katie Dorsett, E.K. Fretwell, Gerry Hancock, and Wayne Peterson, who headed the Commission's committee investigations into the issues of basic skills; governance and leadership; funding and performance; and technology and the economy.

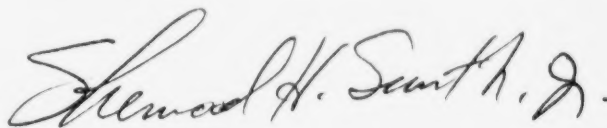
Funds from the Z. Smith Reynolds Foundation and staff work from MDC, Inc., of Chapel Hill assisted us in our work, and we received extensive cooperation from Robert W. Scott, President of the community college system, as well as from the State Board of Community Colleges and the Department of Community Colleges.

Our investigation focused on a growing gap between job requirements and the skills of our

workers—a problem which will confront our state with growing seriousness over the next 25 years, unless North Carolina acts now to raise the basic and advanced skills of many of its adult citizens. We also paid particular attention to the urgent need to serve a greater number of our undereducated adults by reaching out to bring them into the state's educational and economic mainstream. We looked into the challenges faced by business and industry competing in a competitive economy where efficiency, flexibility, and mastery of new technologies are increasingly demanded. The clear message to our state, and to our community colleges, is that "business as usual" will not work for education, as it will not work for businesses facing an increasingly competitive and demanding economy. Our businesses must adapt to meet new challenges, and our community colleges must adapt to meet the needs of those who work in North Carolina. Yet our higher expectations for community colleges will only be realized if we first invest more into the system.

We examined the system in its current form and did not seek to determine whether the number, size, or location of particular colleges should be altered. While we found that the colleges represent unique resources in their respective localities and regions—providing economic, social, and cultural benefits to the people they serve—we believe the State Board may wish to consider these other important issues in the future.

We have identified many accomplishments of our state's community colleges. These two-year colleges are uniquely designed to serve the people of our state and its growing economy. It is upon the solid foundation of the system's achievement that we propose a strategy for the continued success of this system toward tomorrow and into the next century. This strategy, if successful, will lift the educational and economic attainment levels of hundreds of thousands of North Carolinians.



Sherwood H. Smith, Jr.

*Chairman
Commission on the Future of the
North Carolina Community College System*

*Chairman and President
Carolina Power & Light Company*

The Coming Challenge

Thirty years ago North Carolina was in the midst of a great transition as our state passed from an economy based largely on agriculture to one based more on manufacturing. Out of this transition, North Carolina produced a new educational system, one different from any other in the country. It was a system that would fulfill industry's demand for trained employees and make higher education available to adults over 18 who otherwise would never progress beyond high school. Today our state is ahead of many of our neighbors in current measures of prosperity, including family income, median school years completed, and the relative incidence of poverty. A good part of the credit rests with the community colleges and the vision of leaders 25 years ago who convinced the state to invest in our people and our economy.

The community college system has served as a model for other states and is visited by educators from countries around the world who admire what we have accomplished. Our achievements are indeed solid. Our community college system serves a higher percentage of the state's population than any other system in the country. They have acted both as catalysts for economic development and models for vocational and technical higher education.

Now we are engaged in another great economic transition: the transition from the industrial age to what has been called alternatively "the post-industrial society," "the information age," and "the era of global competition." This Commission has undertaken the responsibility of suggesting how the vision of a quarter of a century ago can be carried forward for an era of rapid economic and technological change. We believe that historic vision should now be recast to meet the challenges of a changing economy and the needs of our citizens, who deserve the finest education and training that our technology, our imagination, and our resources can provide.

The community colleges were key to our state's past economic success within our region. Today they must assist us in gaining the competitive edge within

the regional, national, and international arena in which we now compete.

The system has been the bridge to occupational opportunity for hundreds of thousands of North Carolinians. It has transformed high school dropouts into high school graduates and turned high school graduates into skilled technicians and four-year college and university students. Our community colleges have enabled us to build and maintain a skilled workforce by providing training and retaining for adults. The system has been a catalyst for economic development by helping industry incorporate new technologies and entrepreneurs form new businesses.

In recent years North Carolina and the nation have come to recognize more and more the direct link between educational attainment and economic growth. Our determination to stay competitive has added momentum to efforts to improve our public schools and maintain our traditionally strong system of four-year universities. We now need to apply the same determination to building the capacity of the community college system to serve as a bridge to occupational opportunity and a catalyst for economic growth.

The need for action is immediate. The growing demands of our changing economy cannot be met by the long-term effects of public school reforms alone, much as these are warranted. The majority of those who will constitute our labor force for the next 20 years are already adults. They will live in a world of progressively rising occupational standards that will require continuous upgrading of on-the-job skills.

The new jobs our economy will create in the coming decades will demand, on average, more than 13 years of education. Yet, if current conditions hold, more than 60 percent of the North Carolina workforce in the year 2000 will not have progressed beyond high school. Unless we make a swift and sustained effort to raise the education and skill levels of our working-age population, this projected gap between the skills our workers possess and the skills demanded by the economy will threaten our economic progress.

Business and industry also face intense pressure to modernize and become more efficient. The capacity to apply technological innovation to basic production will be vital to the future strength of North Carolina's existing manufacturing base. At the same time, our future economic growth will depend increasingly on our state's capacity to develop and support new businesses.

State policies must also encourage the business community to assume a greater role in training and developing our workforce, following the model of those companies that have already taken action in this area. Employers should help meet these challenges, and they should communicate to employees that functional literacy and improved skills are important and valued.

North Carolina's system of 50 community colleges, if properly supported, is ideally positioned to respond to these demands. The colleges have been our state's principal vehicle for adult basic, technical, and occupational education and for the dissemination of new technology to industry. However, the community colleges were designed for an earlier generation and economy. Evidence suggests that they are facing their increasing responsibility with a declining capability. The state's per-student expenditure of about \$3,300 is 25 percent below the national median of \$4,400 for two-year colleges. The crisis in faculty and non-instructional salaries is particularly acute. In 1985-86, North Carolina ranked 49th out of 49 states in average pay for full-time faculty in public two-year institutions. Moreover, current programs to upgrade the technical and teaching skills of community college faculty and to develop new leadership are too limited to meet the challenges ahead.

In other words, major burdens are being placed on the shoulders of a system that is already undernourished. Based on our investigation, the Commission makes the following findings:

- ◆ **The system's "open door" philosophy of admission is passive. In an economy that will require dramatic expansions in the size and quality of the workforce, too few of the adults who are most in need of a community college education are recruited, progress through, and graduate from the system; and too few community college graduates advance to the state's four-year universities. Noninstructional fees and a lack of child care and transportation often prevent students from entering the system. Progression into and out of the system is hampered by inadequate formal linkages with the public schools and four-year universities.**
- ◆ **The system's basic skills programs—major tools in the fight against the state's high level of adult illiteracy—suffer from an overreliance on part-time instructors, inadequate investment in curriculum development, and limited resources for student recruitment and outreach, with resulting low retention and completion rates. The system's current basic skills curriculum needs to be expanded to be of value in an increasingly competitive workplace.**

The system's technical assistance and training services for business and industry—as excellent as they are in a number of places—are too limited in scale to function effectively as a significant catalyst for

economic development. The modernization needs of North Carolina's manufacturing base will soon strain the system's capacity to provide technical support. The quality of the system's new network of Small Business Centers varies widely, and these centers have yet to reach their potential as active brokers of services to small businesses.

• The system's governance structure needs revision, and its provisions for training executive-level leadership for the future must be expanded. Without these improvements, the ability of the community colleges to implement fundamental and necessary reforms will be limited. Further, the system's current funding formula distorts program and funding priorities.

To meet the demands it is facing, the community college system will need to make fundamental changes in many areas and secure increased financial support. If these actions are taken, immediate economic and social returns on the state's investment will be realized.

The Critical Response

The Commission on the Future of the North Carolina Community College System calls upon North Carolina to invest in a comprehensive program to equip the community colleges to meet the demands they face. When fully implemented over a six-year period, the increased investment should allow North Carolina's community college system to provide the exemplary basic and advanced education our state vitally needs.

At the same time, increased accountability and stronger performance standards for colleges should accompany increased state funds. The community colleges should focus on a clear and well-defined set of priority goals and pursue those goals aggressively.

The Commission believes that education should be a lifelong process which goes beyond the need to "learn to earn" and also serves to improve the quality of life for the citizens of our state. Yet, unless our workers have the needed technical and vocational skills, our economy will not grow and will be unable to support our educational and social structure.

The system and its colleges should set strategic goals and report them to the State Board of Community Colleges at the beginning of each biennium. Those goals should be specific and measurable. In order to be responsive to state and local needs, each

community college should build the capacity to target the numbers of students it plans to educate, train, make literate, transfer to four-year colleges and universities, and place in jobs. Community colleges should expand the ranks of those successfully making the transition from high school technical preparation programs to community college associate degree programs. And they should increase the number of businesses they will assist in start-ups or expansions. The Commission proposes that a process be implemented to evaluate and fund colleges on the basis of their performance in these priority activities.

In order to accomplish these goals, the Commission challenges the system and its colleges to make six fundamental changes to improve the operation of the system. These are summarized below and detailed in 33 specific recommendations which appear in Part 5 of the report.

1. Provide Every Community College Student Access to Quality Teaching and Academic Support Services.

Community colleges should cultivate and support quality instruction across the curriculum by hiring and retaining skilled instructors and developing innovative teaching methods and curricula to serve the needs of adult learners. Outreach and recruitment should be substantially expanded. The system should oversee the creation and implementation of an integrated system for assessing individual students, developing academic and career plans for them, and providing them with the counseling to help them meet and expand their goals. It should address barriers to entering and staying in school, particularly program costs and the need for child care and transportation.

2. Establish Effective Mechanisms to Promote Accountability and Increased Flexibility in Funding.

The system should design a new and flexible funding formula that recognizes and incorporates the cost of delivering quality programs through individual community colleges. Each college should institute an effective planning process focused on strategic goal setting and the assessment of performance data. A means for an independent assessment of the system's progress toward current and future goals should be developed, along with a process to provide funding on the basis of performance. Efficient resource distribution should be promoted throughout the system by encouraging cooperation among community colleges. Wherever possible, specific measures of placement in jobs, advanced training, or four-year institutions should be adopted to determine program effectiveness.

4. Provide Opportunities for All Adult North Carolinians to Master the Basic Critical Thinking Skills Demanded in a Complex and Competitive Economy

Community colleges should provide basic skills training in recognition that the future workforce will demand a wider range of basic competencies to perform a job. Community colleges should be prepared to redesign basic skills courses to provide a comprehensive set of skills including reading, writing, computing, and communications. They should improve the quality of basic skills instruction by strengthening the basic skills faculty and providing the necessary support staff to increase counseling and career assistance to underskilled adults. In addition, the system should develop performance measures to assess the effectiveness of basic skills programs.

5. Help Business and Industry Adapt to Technological Change and Promote Small Business Development Throughout the State.

The system should expand its capacity to provide customized basic and technical training that will help industries apply new technologies to increase productivity. Specialized technology centers should be created to develop and spread state-of-the-art manufacturing technologies. In addition, the system's capacity to provide assistance to entrepreneurs and small businesses should be strengthened. State policies should encourage businesses to promote literacy and improved skills training in the workplace.

6. Build Strong Partnerships with the Public Schools and the State's Universities to Establish a Comprehensive Education System in North Carolina.

The state's three publicly funded systems of education will need to coordinate activities at the chief executive level in order to improve educational attainment in the state. Cooperative programs with public high schools to reduce dropouts and to link high school and community college curricula in technical and vocational fields should be strengthened. Relationships with the state's public and private four-year colleges and universities should be expanded to increase the effectiveness of college transfer programs.

7. Develop Strong Leadership for the System and Its Components

The community college system should establish a governance and management structure that clearly delineates responsibilities between the state and local levels. A strong and active State

Board and strong boards of trustees at every college will be required to lead the community colleges during this period in which program quality will be improved, recruiting and outreach increased, institutional performance evaluated, and student services expanded. Community college presidents and administrators should have access to a comprehensive professional education network.

The Commission believes this program of reform and reinvestment will position the community college system to serve North Carolina well in demanding economic times. If our state moves forward in implementing these recommendations while continuing to support public schools and higher education, we believe that North Carolina can raise the average education attainment level of its citizens above the national average early in the next century. Higher per capita income, expanded economic opportunity, and increased educational attainment will inevitably follow.

If we are to use the community college system to its potential, we need to take immediate action. Our people need the skills to compete, and industry needs better-trained workers to expand. For 25 years community colleges have been our competitive edge for economic and educational progress. If we are to keep that edge, we must invest now. Every day we delay, we take a step backwards.

Why North Carolina Needs an Exemplary Community College System

Five years ago, when the North Carolina Commission on Education for Economic Growth announced the Basic Education Plan, it rallied widespread support for our public schools by showing that North Carolina's ability to be competitive in the emerging world economy would depend on our ability to improve the education of our citizens. That Commission's conviction that educational attainment and economic prosperity go hand-in-hand has been echoed in subsequent studies aimed at enhancing the economic development of our state, our region, and our country: the Governor's Commission on Literacy; *Thinking for A Living*, the recent blueprint for educational improvement by the Public School Forum of North Carolina; *Halfway Home and a Long Way to Go* by the 1986 Commission on the Future of the South; and the U.S. Department of Labor's *Workforce 2000*. As a result, North Carolina is now taking steady steps to improve the quality of education offered by its public schools, and a strong civic consciousness is emerging that investing in education today is essential to providing the foundation for increased prosperity and opportunity in the future.

Mounting evidence suggests, however, that reform of the public schools, while vitally important, will not be enough to meet the challenges of the future. North Carolina confronts a set of economic and demographic conditions which will require us to build and maintain a state-of-the-art workforce. To succeed we will need a strong, flexible system of advanced technical and general adult education beyond the high school level: a community college system that will raise and keep the skills of our adult workers equal to the best in the world and provide a gateway to opportunity for the high school graduate and the high school dropout alike.

Emerging trends are producing urgent and compelling challenges for North Carolina:

The nature of work is changing and workplace requirements are changing as well.

Technological change and intensified global competition have ushered in new occupational standards that are shattering prevailing definitions of worker competence. To secure a good job tomorrow will take more education than it does today, and continued advancement will require the progressive mastery of higher skills. For all of us, the intellectual tools we acquire in high school will have to be sharpened and re-sharpened time and again during our working lives.

Sound basic skills will be a minimum requirement to advance and prosper in the future. Yet our prevailing definition of those skills is becoming obsolete. In the future, basic workplace competencies will include such higher-order skills as problem solving, abstract reasoning, and the ability to interpret and synthesize unfamiliar information. Beyond the basics, technological innovation and rising global standards of worker competence will place a premium on North Carolina having a workforce with superior technical abilities. Our economic productivity and the quality of our products and services will depend increasingly on the ability of our workers to apply new technology to complex problems. Maintaining our competitiveness will require an exemplary system of advanced technical education through our community colleges.

By the year 2000, the average new job will require 13.5 years of education, compared to 12.8 years today. Of the technical, sales, and service jobs projected to register the fastest growth in North Carolina, half are expected to require over 14 years of education.

Change and competition are refashioning industry. Consider the textile industry—that mainstay of the North Carolina economy—which has historically employed thousands of unskilled and semiskilled workers. Between 1975 and 1985, the ratio of basic laborers to more skilled workers in the industry declined nearly 15 percent. While introduction of sophisticated equipment has simplified many tasks that entry-level workers once performed, quality control and flexible production now require workers to perform a wider variety of tasks and to have a broader understanding of the production process.

Basic literacy requirements have risen as business has changed. Once a shop employee might need only limited mastery of reading, writing, and arithmetic along with a concrete knowledge of a specific machine or a narrow task. To function on the job today, however, the same employee must know how to think broadly and communicate effectively with others to solve problems.

As the secure and predictable workplace yields to one that is uncertain and complex, workers in all fields will be under increased pressure to master new and unfamiliar occupational and technical skills. Our ability to train and retrain workers to ever-rising

standards of technical competence will be the key to North Carolina's gaining a competitive edge.

North Carolina will have a serious mismatch between available workers and needed skills.

According to U.S. Department of Labor projections, by the year 2000 North Carolina is likely to experience a severe shortfall of skilled workers. Our economy is expected to create 760,000 new jobs, but only 550,000 new entrants of prime working age are expected to be available from traditional sources to fill them. Nine out of ten new entrants into the workforce will be women and minorities, who may have limited work experience or lack formal education. It is estimated that 80 percent of North Carolina's new jobs will be in service industries which will require, on average, more than 13 years of formal education. Add to these developments the impact of technology and change on our existing jobs, and the need for widespread upgrading of the education levels and occupational skills of our labor force becomes clear. Yet, if current trends hold, more than 60 percent of North Carolina's workforce in the year 2000 will not have progressed beyond high school.

We can address the gap between people and jobs by attracting more adults into the labor force, training them to meet the standards of the changing economy, and by upgrading the skills of the current workforce. But this combination of tasks presents a formidable challenge. The ranks of adults from which we will draw are weakened by a serious and stubborn set of educational deficits. North Carolina's adult literacy rate is lower than 44 other states in the nation. As many as 830,000 adults lack an eighth grade education and up to 1.8 million now lack the literacy skills required to function fully on the job. Each year over 23,000 high school students drop out of school, adding to the swell of undereducated adults. High illiteracy and low educational attainment rates are a serious threat today and will undermine North Carolina's ability to capture economic opportunity tomorrow. The U.S. Department of Labor projects that in the year 2000, if present trends continue, over 16 percent of the state's general population and over 12 percent of the workforce will be "educationally limited and unable to qualify for promotion into most jobs."

These trends and statistics underscore both the value and the limits of public school reform. Strong public schools are the foundation of a strong state education system, and the performance of public school systems across the state must be improved. But, increasingly, a high school education will be the beginning and not the end of the education journey for adults. Even if public school reform is 100 percent successful, it alone will not provide North Carolina with enough workers with the right skills to do the

jobs that need to be done in the next century; nor will it ensure that workers gain the skills that the economy will demand during their lifetime. We will need to reach into the adult population—to those already working and those on the fringes of the economy—and turn high school dropouts into high school graduates, high school graduates into skilled technicians, and community college graduates into four-year-college graduates. This cannot be accomplished by the community colleges alone. Business and industry must be encouraged to start and expand literacy and training programs. The work of the Governor's Commission on Literacy and local literacy councils must be supported and promoted.

Only by pursuing three reinforcing strategies will North Carolina bridge the gulf between the labor force we must have and the labor force that current projections forecast:

- **We must stem the tide of high school dropouts and reclaim those we have lost, educate every high school student successfully, and enroll more high school graduates in advanced general and technical education;**
- **We must make certain that all adults gain a sound foundation of requisite basic skills to function in a changing economy;**
- **We must see that the technical skills of our workforce reach and remain at world-class standards of excellence.**

North Carolina's community colleges can be leaders in all these strategies, and they must be equipped and prepared to do the job with distinction.

While the educational capacity of our workforce will in large measure determine how well North Carolina will respond to economic opportunity, a bright future will also require us to create opportunity by fostering economic development. Two strategies will be crucial to our success: We must help North Carolina's industries capitalize on the commercial benefits of technological innovation, and we must stimulate new business growth.

Manufacturing is a mainstay of North Carolina's economy. Even with projections of rapid growth in service-related businesses, the state's manufacturing employment is expected to remain at levels higher than the national average into the next century. Small and medium-size businesses form the bulk of our manufacturing base, and their ability to exploit new production technologies and sustain product innovation will be vital to North Carolina's economic growth. Yet, these businesses typically lack the internal capacity and resources to identify and apply appropriate state-of-the-art technology. During the past decade, our state has taken aggressive steps in applied research and has created centers devoted to microelectronics and biotechnology. To sharpen our state's competitive edge in the future, we will need to

be equally dedicated to bringing our most promising new technologies out of the laboratory and onto the shop floor and to helping the business sector increase its efficiency through the application of new methods of production.

Further, as North Carolina strengthens its existing economic base, we must simultaneously cultivate new and expanding small businesses. A major study of job growth in North Carolina recently concluded that business start-ups accounted for nearly 70 percent of all new jobs created in the state between 1983 and 1987. In the important category of net new jobs created—the difference between jobs gained through expansions and relocations and jobs lost due to closings and layoffs—small businesses also outpaced larger firms for the same period. Nearly three-fourths of the state's net new employment was produced by companies with 100 or fewer employees.

The vitality of the small business sector will be even more important to our state's economic growth in the future. But most small businesses cannot flourish without sustained help and investment. North Carolina is becoming a recognized leader in designing innovative programs to finance and support small businesses; yet without a strong outreach system to coordinate the services we create and without the capacity to deliver them efficiently to entrepreneurs, we will not realize the full benefit of our creativity.

Community colleges have historically been North Carolina's principal vehicle for bringing technical services to business. Through their customized industrial training programs, the colleges have helped industry modernize and compete. Similarly, the colleges now provide counseling to small business through an extensive network of Small Business Centers. The community college system has shown welcome foresight in establishing these programs, but they are still too limited to be leading forces in the construction of a new economy. Our future will require that community colleges show the same vigor in promoting business innovation and growth that they do in building a world-class workforce.

The People's Colleges

A Tool for the Future

As the community colleges enter their second generation, their importance to the state's people and economy has never been greater. North Carolina's need to respond swiftly and capably to new economic threats and opportunities has created a bracing new agenda for the system. Yet despite a quarter-century of distinctive service to the state, the system historically has been unknown and underappreciated, its achievements and even its value overshadowed by the public schools and public universities. This subordinate status has taken its toll upon the system's ability to command public attention and fiscal support. To succeed in the work before it—work that is critical to our state's future and work that community colleges are uniquely equipped to carry out—the system must be given the resources to move forward and assume the status of full partner with the public schools and university system in preparing our state's people for economic opportunity today and tomorrow.

Thirty-two years ago, Governor Luther Hodges and State School Board Chairman Dallas Herring took a bold step. Then, as now, sweeping changes were transforming the North Carolina economy, creating a demand for a new class of industrial worker in a state historically geared to agriculture. The new economy required workers with sound technical skills, and full access to the opportunities of society required stronger general education credentials. Herring dreamed of a new type of college, the "people's college," that would fulfill industry's demand for trained employees and make higher education a possibility for adults over 18 who otherwise would never progress beyond high school.

In 1957 the General Assembly passed the first Community College Act and also provided funding to initiate a statewide system of Industrial Education Centers to provide technical training to adults and selected high school students. By 1961, North Carolina had five public junior colleges emphasizing arts and sciences and seven Industrial Education Centers focusing on technical and vocational education. In 1963 the two fledgling systems were unified under the jurisdiction of a new Department of Community Colleges in the State Board of Education. After 1963

the system grew quickly, from 24 institutions to 43 in 1966, 54 in 1969, and 58 by 1979. In 1981 a new, independent State Board of Community Colleges assumed authority for the expanded system from the State Board of Education.

Growth in capacity was matched by growth in demand for the system's services. Early in the life of the system, Governor Hodges prophesied that it one day might enroll as many as "fifty thousand annually." By 1963, less than a decade after its birth, the system recorded 28,520 full-time-equivalent (FTE) enrollments; six years later the number had soared to 59,329. By 1982 Hodges' benchmark for success had been exceeded more than twice, to 129,368 FTE.

Measured by numbers alone, the new system was a dramatic success; but it excelled on a qualitative scale also. The system's technical training capacity—superior to anything else in the South—helped North Carolina build and sustain an important competitive advantage in recruiting new industries to the state. The presence of a well-funded statewide technical training network assured prospective businesses that abundant skilled labor would be available and was testimony to the state's commitment to maintaining a strong workforce.

The hybrid character of the system—born of a marriage of technical and general education institutions—also gave the system attractive breadth and great appeal. Neither a pure technical training system nor a mere collection of junior colleges, the new system occupied previously uninhabited ground between the public schools and the colleges and universities, providing comprehensive advanced training for students with a wide range of aspirations and needs and extending the benefits of higher education to hundreds of thousands of others.

North Carolina's community colleges quickly assumed the profile that Dallas Herring hoped they would have: a place, according to Herring's frequent citation of Governor Aycock, where a student could "burgeon out all that is within him." As more narrowly focused two-year systems arose elsewhere during the 1960s, North Carolina's became and remained a model of depth, breadth, and quality for the nation.

Behind the growth and success of the community college system was a lucid and prophetic mission, articulated by Luther Hodges. The system existed to respond to two vital state needs:

One was to train North Carolinians for better-paying jobs in industry and the other was to make the state more attractive to industry by providing a skilled labor force.

Today, the integrity of that mission is more important than ever before. North Carolina's community colleges must function both as the bridge to occupational opportunity for North Carolina's adults and as a conscious catalyst for economic growth. The

system has built a record of distinction and has the capacity for even more distinguished service. But its future success is being compromised by serious problems. Unless they are addressed, these problems may impair the system's strength and effectiveness at the time its services will be most required.

- ♦ **Funding Levels.** At about \$3,300, the annual per-student expenditure for North Carolina's community colleges is 25 percent below the national median of \$4,400 for community colleges and 34 percent below the national median for two-year technical colleges. The North Carolina system now receives a lower percentage of the state's education dollar than it did in 1983. The public schools and the university system, by contrast, have increased their share of the state's educational funds during this period. The costs of this inadequate investment are clear and disturbing: The system's ability to maintain state-of-the-art instruction and services is in danger of eroding. The quality of high-cost technical programs is particularly vulnerable to funding constraints.

- ♦ **Salaries.** In 1985-86, the last year for which comparisons are available, North Carolina ranked 48th among the states in average pay for full-time faculty in public two-year institutions. Average annual faculty compensation is about \$22,600, a figure nearly 20 percent below the median of \$26,000 for two-year schools in the Southeast. In contrast, North Carolina's average pay for faculty at four-year institutions ranked 20th nationally. The North Carolina Department of Public Instruction estimated that salaries for full-time public school teachers ranked 32nd in the nation during the same period. Low salaries in the community colleges have contributed to an erosion in faculty morale in the system and losses of talented faculty to industry. Competition from industry for technically gifted faculty is especially keen.

- ♦ **Funding Allocation.** The system's funding formula, which allocates resources to the colleges in proportion to the number of full-time-equivalent students they enroll in each of their programs, fails to respond adequately to the current needs of the system. The formula does not account for differential costs among programs, gives little flexibility for new program initiatives, and does not reflect the costs of serving part-time students. Rather than encouraging colleges to achieve planned results, the formula looks backwards to measure past behavior. As a

result, accountability, planning, and creativity suffer. Moreover, imbalances in the value assigned to different categories of courses severely limit the system's ability to respond to emerging needs. For instance, occupational extension courses – the short-term, nondegree offerings which permit workers to upgrade their technical skills – now receive lower unit funding than curriculum courses which lead to a diploma. As a result, despite demonstrated need, colleges have a financial disincentive for investing in a service that is vital to sharpening industry's competitiveness.

- ♦ **Planning and Goal Setting.** Allocation of resources in the system and in most of the colleges is hampered by the absence of well-developed long-range plans tied to clear strategic goals on both the state and local levels. The absence of strategic goals and of a reliable process for measuring and communicating program effectiveness contributes to a general lack of accountability for results in the system and at individual colleges.

- ♦ **Professional Development.** The system's capacity to invest in the upgrading of technical skills in the faculty is limited at a time when the accelerating rate of technological change makes it more difficult than ever for community college faculty to stay current in their disciplines. The system now spends \$1.2 million annually on professional development opportunities for its full- and part-time staff. By contrast, Florida, with 28 institutions, spends over \$8 million annually. In Florida, state policy mandates that 2 percent of the system's annual budget be spent on professional development the following year. North Carolina's system now spends approximately one-third of 1 percent of its annual operational budget on faculty and staff development.

- ♦ **Comprehensive Education.** The system's "open door" philosophy of admissions is a laudable but passive concept. Too few of the adults most in need of community college education are recruited, enter, progress through, and graduate from the system. Too few community college students advance to four-year colleges and universities. The absence of strong links to public schools and public universities diminishes the potential of the system as an active bridge to advanced educational opportunity. For instance, studies of General Educational Development/Adult Basic Education students in 1985-86 estimated that less than 15 percent

of the students went on to advanced study in the community college system. Full-time black enrollment in the system's college transfer programs declined nearly 28 percent over a ten-year period from 1977 to 1987. While this decline began to reverse itself in 1986-87, today fewer than 15 percent of full-time students in the college transfer track are black. Given that community college graduates who go on to four-year institutions can anticipate average annual earnings 56 percent higher than high school dropouts and 24 percent higher than high school graduates, the low minority participation rate is an indication that the system is performing insufficiently for the students most in need of a bridge to four-year higher education.

- ♦ **Access.** Serious barriers still inhibit student access to the system. Despite the system's commitment to maintaining modest tuition, other factors – books, fees, child care, and transportation costs – often prevent undereducated, low-income adults most in need of a community college education from receiving it. In a recent study of retention in the community colleges, nearly 29 percent of former students surveyed indicated they would require help with finances to return to school to complete unfinished degrees, low tuition notwithstanding. Growth in single-parent families and in the number of parents who work part-time and take classes part-time has raised the effective demand for child care services, yet the few colleges that operate child care programs estimate that they are able to satisfy only 10 to 20 percent of the need. Satellite campuses and flexible class scheduling are often unsuccessful in overcoming problems of transportation and access – major impediments to poor rural and urban students who wish to enroll and stay in school.
- ♦ **Basic Skills.** The system's basic skills programs – a major tool in attacking the state's high level of adult illiteracy – suffer from an overreliance on part-time instructors, limited opportunities for teacher training, and inadequate investment in curriculum development, with resulting low retention and completion rates. For every full-time basic skills instructor in the system there are 21 part-time instructors, despite general acknowledgement that a strong nucleus of full-time faculty at each institution is vital to maintaining continuity and innovation in the curriculum. Sixty-five percent of Adult Basic Education (ABE) programs surveyed

recently reported having no full-time instructors at all. Few basic skills faculty are trained to serve the distinctive educational needs of undereducated adults: 38 percent of the ABE faculty are trained in elementary rather than adult education and 41 percent have not completed college.

- ♦ **Business and Industry Support.** Services to business and industry, while generally praised today, are too limited to function as an aggressive tool for future economic development. The system's flagship technical assistance program for existing industry – Focused Industrial Training – lacks the resources to meet the modernization needs of North Carolina's small business manufacturing base. The increasing cost of specialized training facilities and services will require the system to be more strategic in its capital and program investments, yet there is currently no process in place for targeting services to those sectors of the economy most critical to future growth. The system's Small Business Centers vary widely in effectiveness and have yet to reach their potential as active brokers of services to entrepreneurs.
- ♦ **Leadership.** The system lacks an effective process for identifying, training, and renewing executive-level leadership in the individual colleges and at the state level. This raises particular concern given the changes that the Commission believes the system and its colleges must undertake to serve the state well in the coming decades. Strong leadership will be critical to successful implementation.
- ♦ **State and Local Governance.** Effective governance of the system is frequently hampered by ambiguous relationships among those charged with policy formulation and oversight: the State Board, the State President, the state staff, local boards of trustees, and the chief administrative officers of the individual colleges. As a result, the system's efforts to establish and execute coordinated policy and a unified strategic direction for the system are less effective than they could be.

The programmatic, procedural, policy, and resource issues facing the community college system are serious; but they can be corrected. If they are addressed successfully, the rewards for North Carolina's people and economy can be enormous. If they are neglected, the system that North Carolina built with exceptional foresight into a model for the nation will be weakened and ill-prepared for the future.

4 The Call for Action

Transforming the Community College System

The Commission on the Future of the North Carolina Community College System believes firmly that an investment in the system can produce the most immediate economic and social return possible in the field of education. We therefore propose a comprehensive action plan which will require fundamental shifts in the programs, funding, and governance of the system. When fully implemented, we believe they will result in a community college system that will continue to serve our state with distinction, a system that will build our economy and advance our people's prospects now and for the next quarter-century.

The financial commitment required to build a community college system that is capable of responding to our state's future challenges will be significant. The colleges will need a level of fiscal support that will bring them to the national standard for funding for two-year-college systems. When fully implemented over the next six years, the package of reforms this Commission recommends will raise the annual per-student expenditure from \$3,300 to the national median of \$4,400. This will require an annual increase of \$135 million in constant dollars over the current level of funding.

In exchange for this increased support, the Commission believes the community college system should focus sharply and intensely on a set of priority goals. The system should make certain that quality instruction characterizes all the system's offerings. It should increase significantly the proportion of our adult population who possess the basic skills required by our emerging economy. It should work with business and industry to establish cooperative programs since the community colleges alone cannot meet the tremendous demand for basic and advanced skills training. It should make certain that business and industry have access to state-of-the-art support in

applying new technology. It should ensure that more of our citizens enter, progress through, and graduate successfully from system programs. Success in reaching these goals will require the system to account for results and meet objective performance and quality standards.

The system and its colleges should establish measurable targets for the numbers of students they will educate, train, make literate, transfer to four-year universities, and place in jobs; for the number that will make the successful transition from high school technical preparation programs to community college associate degree programs; for the numbers of industries they will assist and the numbers of new businesses they will help create. The system should begin immediately to establish and implement a process to evaluate and fund colleges on the basis of how well they meet their goals.

The task of creating an exemplary community college system for the next century should be a shared effort. The state's educational and business leadership will influence whether or not community colleges succeed in becoming a stronger bridge to opportunity for adults in North Carolina.

The Commission's specific recommendations center on six strategic challenges, namely to:

1. Provide every community college student access to quality teaching and support services;
2. Establish effective mechanisms to promote accountability and increase flexibility in funding;
3. Provide opportunities for all adult North Carolinians to master the basic critical thinking skills demanded in a complex and competitive economy;
4. Help business and industry adapt to technological change and promote small business development throughout the state;
5. Build strong partnerships with the public schools and the state's universities to establish a comprehensive education system in North Carolina;
6. Develop strong leadership for the system and its colleges.

The Commission believes that these mutually reinforcing actions will establish the community college system once again as North Carolina's strong foundation for demanding economic times. If the state moves quickly in implementing these recommendations and continues to strengthen its public school and higher education systems as well, North Carolina can raise the average education attainment level of its citizens to above the national average early in the 21st century and assure itself expanded per capita income and economic growth.

5

Recommendations

From the Commission on
the Future of the
North Carolina
Community College
System

THE CHALLENGE:

Provide Every Community College Student Access to Quality Teaching and Academic Support Services.

Despite the community colleges' excellent record in educating North Carolina adults for life and work, the system's ability to serve as a bridge to opportunity and achievement, especially in the vocational and technical fields, is in jeopardy. The system will need to cultivate and reward exemplary instruction and administration; develop and implement a strong student assessment, academic planning, and career counseling system; and eliminate barriers that restrict student access. New technologies in the workplace require a change in the instruction within our community colleges. Only through additional investment today can the state ensure the high-caliber academic and technical education needed for tomorrow's jobs.

THE GOAL:

An Exemplary Faculty and Staff.

Program quality is beginning to decline because of insufficient investment in the system's greatest assets—its faculty and staff—which represent the largest single investment within the community college system. In an era of rapid technological change, the quality of community college education depends upon the ability of the system to hire and retain skilled personnel. In the vocational and technical areas, which account for 75 percent of the full-time faculty and serve 80 percent of community college students, community colleges compete with business and industry to hire and retain personnel.

Just as workplaces will continually need to upgrade and retool, the community colleges will need to invest in the development and maintenance of skilled personnel. The system now provides only limited opportunities for professional development, primarily designed to allow faculty to return to industry for upgrading. Extensive opportunities—including return-to-industry, continuing education, and other experiences—are necessary to maintain excellence among the approximately 8,000 full-time and more than 12,000 part-time faculty and staff within the system.

RECOMMENDATION 1:

The State Board should expand opportunities for professional development to ensure state-of-the-art instruction.

The State Board should devote 1 percent of the system's operating budget for professional development programs for faculty and staff in the next biennium and raise that investment to at least 2 percent of the system's operating budget by 1995. Professional development efforts should:

- ◆ Expand opportunities for a wide range of personnel, including part-time faculty, to

participate in professional development;

- ◆ Provide specialized training for faculty and support staff on the needs of adult learners;
- ◆ Involve faculty in planning and curriculum development to promote leadership development;
- ◆ Increase the use of teleconferencing to reduce time and travel expenses.

RECOMMENDATION 2:

The State Board and boards of trustees should ensure competitive salary levels for community college personnel.

The State Board should set a goal to raise salaries for faculty to the median level in the Southeast by 1992 and the top quartile of the Southeast by 1995. The Commission calls for the State Board to continue to restrict the transfer of money from instructional salaries to other uses by colleges whose average full-time instructional salaries are below the allocated salary level set by the General Assembly.

RECOMMENDATION 3:

The State Board should require each college to submit a comprehensive personnel policy manual.

Each college should submit a copy of its personnel policy manual to the State Board. It should contain criteria for the selection, promotion, and reward of faculty and staff; measures to encourage and prepare women and minorities for positions of leadership within the colleges; plans for professional development of faculty and staff; and policies on the use, evaluation, and retention of part-time instructors. Plans should also clearly delineate college benefit systems, employee grievance and due process policies, and procedures for determining faculty and staff reductions during any period of enrollment or budget decline.

THE GOAL:

Effective Learning Experiences.

To meet the training and retraining needs of the state's workforce, efficient and effective methods of delivering instruction to adult learners will be required. In addition to teaching essential academic and technical skills, instruction for the future workplace will need to teach problem-solving and communications skills, training flexible workers capable of adapting to change and working with others. Instruction should also provide broader educational experiences that serve to enhance the quality of life for North Carolina's citizens. Expertise within specific colleges can be tapped to develop methods featuring new learning technologies and those promoting more effective use of instruction and on-the-job experiences.

Community colleges should build on their past accomplishments. The Adult Basic Literacy Education (ABLE) system developed by Central Piedmont Community College is an example of computer-based literacy training estimated to increase student competencies one grade level for every 25 hours of instruction. The system-wide telecommunications network offers a potential way to deliver specialized instruction economically. Cooperative programs combining instruction with on-the-job experiences are another avenue. While virtually all community college campuses offer at least one cooperative course which allows adults to study while gaining work experience, less than half have substantial programs.

RECOMMENDATION 4:

Community colleges should strengthen partnerships with business and industry to provide state-of-the-art vocational and technical education.

Business and industry should be called upon to assist in the identification of critical training needs within the local service area and in the design and revision of vocational and technical programs. Programs should incorporate a range of instructional experiences that develop critical thinking skills in employees, and provide opportunities to gain hands-on experiences through cooperative programs and other applied instructional situations.

RECOMMENDATION 5:

The State Board, boards of trustees, and college presidents should encourage innovative teaching methods and curricula.

The State Board should secure funding for the development of innovative teaching curricula, especially those that develop essential problem-

solving and communication skills. The following actions should be taken by the State Board.

- ◆ Specialized teaching methods tailored to the learning styles of adult students should be developed.
- ◆ A Center for Experimentation in Curriculum and Teaching should be established to attract prominent researchers to design curricular materials for the community colleges.
- ◆ Competitive grants for faculty and staff to develop innovative teaching curricula should be provided. Grant funds should cover dissemination and training in the use of new materials throughout the system.
- ◆ Expanded use of learning technologies such as computer-based curricula and teleconferencing should be supported by building the system's capacity to prepare new materials and to provide system-wide training in the use of these technologies. Computer-based instruction should be used to create self-paced learning experiences and to expand the resources of smaller colleges.

THE GOAL:

Educational Advancement for All Adult Learners.

The lack of a formal system to assess student goals and track progress places too many community college students at risk of passing through the system without being challenged and supported to pursue clear academic and occupational goals. While the goals of adults entering the state's community colleges are diverse, a model system of two-year postsecondary education should be measured by its success in helping students reach their initial goals and encouraging them to look beyond them.

The success of individual colleges in forging stronger links between programs, especially those moving students from basic skills courses into advanced study, should be replicated. While system-wide less than 15 percent of basic skills students progress to other programs, individual colleges report as many as 50 percent make this transition. An expanded role for faculty as mentors and coaches will need to be used to encourage adults in basic skills courses to expand their educational goals.

RECOMMENDATION 6:

The State Board should establish a system for monitoring and measuring student progress toward goals.

A student monitoring system should be implemented by 1993 across the system to assess incoming

students and develop comprehensive education and career plans for them. This monitoring system should be computerized and maintained at the college level to facilitate evaluation of student progress and development of summary data that can be used at the state level for assessment of system performance.

RECOMMENDATION 7:

Community colleges should forge strong links between remedial programs and advanced programs.

Community colleges should increase the number of students making the transition from the basic skills curriculum into jobs or advanced study. All colleges should examine the course load distributions of full-time faculty and reduce excessive work loads to allow faculty to interact with students as mentors and coaches. College administrators and faculty should identify and address major organizational, procedural, or curricular barriers that prevent students from making the transition from basic skills programs to advanced study. To encourage successful completion of degree-granting programs, all students entering vocational, technical, and college transfer programs should be assessed to ensure they have mastered requisite skills and should be provided opportunities to address deficits.

THE GOAL:

Expanded Access to Adult Education.

Significant barriers still prevent many adults from entering the system and achieving their educational goals.

While low tuition has been maintained as an essential part of the "open door" policy, other costs may discourage or prevent enrollment in the system. For example, books for the tuition-free Adult High School program cost about \$40. Some colleges currently furnish books for courses providing remedial basic skills instruction. The system should look to business and industry to play a major role here: Already businesses have assisted employees in a number of ways – by purchasing textbooks or providing funds to assist with child care and transportation costs, for example.

Other barriers to pursuing education – including the lack of adequate child care and transportation systems – will need to be addressed, especially in rural areas. Community college staff estimate that about 10 percent of women enrolled need child care to stay in school, but existing programs meet only a fraction of that need. Currently, about a quarter of the colleges use federal funds to support child care centers for the children of adults enrolled in vocational and technical programs. Existing programs lack the resources to

provide the flexible hours needed by many adult learners.

The system will need to continue to raise public awareness of the opportunities within the community college system through efforts such as its statewide marketing strategy and community service activities.

RECOMMENDATION 8:

The State Board should work with boards of trustees, college presidents, and business and industry to reduce financial barriers to community college education.

The State Board should eliminate book and incidental fees in all remedial programs and courses. Tuition should be eliminated in developmental studies programs which equip underskilled high school graduates with the skills required to enter curriculum programs. In addition, increases in student tuition rates in all courses should be limited to biennial adjustments to reflect cost-of-living increases. Community college foundations should seek increased contributions from business and industry to provide financial aid to cover tuition, books, and fees for needy students.

RECOMMENDATION 9:

The State Board should expand access to child care within the system.

All colleges in the system should be encouraged to provide child care services for students either directly or on a contract basis with outside providers. As an incentive, the State Board should establish a grants program to provide colleges with seed money to cover staff, student subsidies, program development, and operational costs for child care programs. Funds should be awarded through a competitive process to colleges that document a need for child care and demonstrate an ability to provide additional resources through local government funds, federal programs, or other means. Services should be provided on a sliding-scale fee basis to ensure affordability, and future funding should be tied to successful performance.

RECOMMENDATION 10:

The State Board should undertake a comprehensive analysis of the factors inhibiting entry and retention in community colleges.

The analysis should consider the special problems faced by particular colleges such as those with large service areas or those in isolated areas. Comprehensive plans to eliminate or reduce severe obstacles, especially transportation and financial constraints, should be adopted in keeping with the study's findings.

THE CHALLENGE:

Establish Effective Mechanisms to Promote Accountability and Increased Flexibility in Funding.

The state's community colleges face a formidable job—providing the state's adults with the basic and advanced skills needed to function in the future. The system's current approaches to student and program assessment and funding cannot ensure that this mission will be met successfully. Without a new method of distributing resources and a significant increase in public investment, the system will be unprepared to meet the educational demands of the future, provide advanced technical training, and simultaneously reach out to underskilled workers. Yet the state should not increase its funding without assurances that the community colleges will provide high-quality education and achieve measurable results. Funding should be tied to planning, data collection, and progress toward clearly defined goals.

THE GOAL:

Flexible Funding Tied to Performance.

Several studies have called for a redesign of the system's current method of distributing funds among colleges. The funding formula is based primarily on the student enrollment numbers calculated in terms of Full Time Equivalents (FTEs). The FTE formula does not recognize unavoidable variations in program costs among colleges or the associated costs of delivering particular programs. It also does not recognize the costs associated with service to part-time students. A formula for the future must be flexible to enable the system to meet changing demands and to provide funding stability. Community colleges must be able to look ahead and develop clear objectives and goals for meeting educational needs within the local service area regardless of temporary fluctuations in program enrollments.

RECOMMENDATION 11:

The State Board should oversee the redesign of the funding process to provide flexible and responsive funding.

A statewide task force should be appointed to revise the procedures for distributing state funds among colleges to maintain equity, and to reflect the unavoidable variations in program costs among colleges. The following steps should be considered.

- ◆ Revised funding procedures should establish two categories for college requests for state funding—a base budget and an expansion budget to allow greater flexibility for colleges to address state priorities and local needs.
- ◆ Provisions should be made to maintain stable and equitable distributions among colleges by providing base funding through a revised and simplified method of calculating FTE student enrollments at each college and by distributing

funds for administrative and instructional support positions to reflect the size and service area of particular colleges.

- ◆ Revisions will need to recognize differences in operating costs by college size and service area and adjust for high-cost and high-priority programs.
- ◆ Adjustable financial incentives should be used to address urgent state needs. A state-level discretionary fund should be established for high-priority and critical activities, grants for innovative teaching and system-wide research, and start-up costs for high-priority programs.

RECOMMENDATION 12:

The State Board should support the development and implementation of acceptable mechanisms for rewarding colleges for excellent performance.

A statewide task force should examine means for rewarding exemplary performance. Particular emphasis should be placed on statewide goals for recruiting, retaining, and placing underskilled adults; for increasing transfers from community colleges to four-year institutions; and for placing graduates in jobs and helping them meet their educational goals.

THE GOAL:

Strategic Goal Setting and Assessment.

In the coming years, community colleges will need to set and measure attainment of student and institutional goals and account for the use of public resources. While the majority of colleges are presently engaged in some sort of planning process, the quality

and effectiveness of these processes vary considerably. Planning processes should involve a wide range of faculty and staff in setting specific goals and monitoring progress. Several community colleges have taken the lead in these efforts, and their expertise should be shared throughout the system.

Plans should address critical activities including outreach, professional development, and service to business and industry and should set measurable goals for key indicators such as the rate of student retention, placement, and transfer. Procedures for evaluating existing programs for expansion, revision, or deletion are also vital.

Data collected across the system should be used to increase effective management. At a time when community colleges face increased pressure from groups including the Southern Association of Colleges and Schools to engage in comprehensive and strategic planning, the system's capacity to provide data to support local and state planning efforts is severely restricted. Limited funding has resulted in inadequate resources and staff to perform these functions.

RECOMMENDATION 13:

The State Board should institute effective planning processes at the state and local levels to obtain greater accountability for the use of system resources.

Comprehensive planning processes will need to be developed to ensure that colleges focus their efforts on priority activities. The capacity of the State Board's staff to provide technical assistance in data collection and management and institutional planning should be expanded. State Board funds should be provided to allow each college president to assign one administrator to oversee applied research and planning. A multiple-step process will be required.

- ◆ The comprehensive planning process established by the State Board to identify and rank state-level program and funding priorities should be continued. The goals for the system should be developed after consulting a wide range of personnel within the system – including faculty, staff and trustees from local colleges – and then clearly communicated to all community colleges.
- ◆ A comprehensive biennial planning process at each college should yield specific goals, priorities, and measures of progress and should establish a schedule for monitoring achievements. Each college should also adopt a five-year plan for program and facility needs to be updated as part of the biennial planning process. The planning process should involve administrators, faculty, staff, and students as well as representatives from the business

community in setting measurable goals for serving the needs of students, business and industry, and the community. Upon acceptance of plans, boards of trustees should submit them to the State Board for review.

- ◆ Colleges should submit summary information to the State Board to report progress toward state goals. This information should be submitted in a standardized form to minimize review time.

RECOMMENDATION 14:

The State Board should ensure that data collection systems support planning and accountability efforts.

To improve the system's ability to generate data for planning and management purposes, state and local information systems should be made compatible to allow essential data to be collected. Data managers and planners should be trained to ensure more effective use of existing data sources. In addition, the system's capacity to conduct policy research and to interpret state-level data and trends should be enhanced. The following steps should be undertaken.

- ◆ Regional sectoral analyses and labor market information should be utilized by all community colleges in program planning and curriculum development. The State Board should work with statewide data sources to provide access to this information and training in how to use it.
- ◆ The State Board, boards of trustees, and college presidents should have access to summary performance data to allow them to set goals and measure progress across all colleges in the system.
- ◆ Comparative data on selected quality and cost indicators across the system should be developed under the supervision of the State Board to assist presidents in college management.
- ◆ Periodic information about student employment and salary levels after completing study at community colleges should be examined as part of the program assessment process. The State Board should examine the feasibility of contracting with the Employment Security Commission to provide these data.

THE GOAL:

Channels for Outside Assessment.

The Commission's recommendations will require a realignment of many aspects of community college administration, funding, and program delivery.

While the reaccreditation process conducted by the Southern Association of Colleges and Schools represents one form of outside assessment, a process is needed specifically to monitor progress toward the goals established by this Commission, to provide an on-going vehicle to identify key emerging issues, and to complement comprehensive planning. The community college system should also examine the model of the Public School Forum of North Carolina which has provided the state's public schools with an effective channel to gain valuable outside perspective on major policy issues and tap the insights of leaders from many sectors of the state.

RECOMMENDATION 15:

The State Board should establish an independent body to monitor the implementation of the Commission's recommendations and provide an impartial forum to examine emerging issues.

This ongoing process should incorporate a wide range of opinions from outside the system including those from leaders in business, industry, education, and government.

THE GOAL:

Efficient Resource Distribution.

Rapid technological change has multiplied the costs of specialized equipment and faculty expertise needed to maintain state-of-the-art vocational and technical programs. To contain the costs of delivering quality programs, the community colleges will need to emphasize methods that pool resources within the system. Currently community college campuses are highly selective with their program offerings: The majority of the system's programs are offered on five or fewer campuses. Yet greater coordination will be required in the future.

RECOMMENDATION 16:

The State Board should continue to develop and expand joint programming to provide efficient use of state resources.

The State Board should encourage cooperative and regional programs to achieve optimal use of facilities, equipment, and instructors.

- ♦ Curricula which pool the resources of two or more schools should be given priority, and the state office should consider the regional effects of implementing a new program as a key component of the program approval process.
- ♦ Joint faculty committees from neighboring community colleges should work together to

develop curricula and standards for courses granting credits transferable among community colleges.

- ♦ A committee of college administrators, faculty, and state staff personnel should devise a standard course numbering system to facilitate easy transfer of credit within and beyond the system.
- ♦ The State Board should require colleges with regional programs to develop plans to provide maximum access to these programs through the use of telecommunications capabilities and other means.

RECOMMENDATION 17:

The State Board should reduce unnecessary duplication in programs and resources among community colleges.

The State Board should seek ways to reduce unnecessary duplication within the system. The need for clear criteria for the development of satellite campuses, the consolidation of administrative functions of smaller community colleges, and incentives for neighboring colleges to engage in regional planning should be examined.

THE CHALLENGE:

Provide Opportunities for All Adult North Carolinians to Master the Basic Critical Thinking Skills Demanded in a Complex and Competitive Economy.

Job skill requirements are rising, and each year growth in jobs and growth in income are more closely associated with educational attainment. Yet as the percentage of high-skill jobs in North Carolina's economy is expected to increase, new entrants to the workforce will increasingly come from undereducated and underskilled populations. In order to serve a greater number of underskilled adults, the community colleges should provide active recruitment to bring people into the system; effective instruction; and the provision of support services for assessment, career planning, and counseling.

THE GOAL:

A Workforce with Comprehensive Basic Skills.

To address the needs of the state's 1.8 million adult dropouts and those high school graduates who lack the basic skills necessary to succeed in the emerging economy, a systematic overhaul of adult basic education and literacy training is required. Community colleges should turn the existing array of offerings into a comprehensive system for increasing the employability of undereducated and ill-prepared adults. While the recent attention to the problems of functional illiteracy is positive, reading and writing are just two of the many skills demanded by employers in the emerging economy.

Recently the American Society for Training and Development listed the fundamental skills that will be considered minimal requirements for tomorrow's jobs. These include the ability to read, write, compute, listen, speak, think creatively, solve problems, set goals, increase personal motivation, build self-esteem, develop career plans, interact with others effectively, negotiate, work in teams, organize, perform leadership functions, and learn how to learn. The new basic skills program within the community colleges will need to encompass this comprehensive set of basic skills.

RECOMMENDATION 18:

The State Board should oversee the development of a broader basic skills curriculum.

The system must adopt a new definition of basic skills incorporating a wide range of competencies such as those set out by the American Society for Training and Development. Acquisition of these skills should be the goal of a reconstituted basic education and literacy curriculum incorporating the

current Adult Basic Education, Adult High School, General Educational Development, and Human Resources Development programs. The program should be structured so that students develop a range of skills which qualify them to enter technical, vocational, or college transfer programs, or succeed in the labor market. The State Board should encourage cooperative programs with business and industry in this area. As a first step, the Human Resources Development program serving the chronically unemployed should be upgraded, funded adequately, and expanded to all colleges.

THE GOAL:

Reduction of the Basic Skills Gap.

Existing literacy and basic education programs lack sufficient resources to meet the basic skills needs of North Carolina's workforce. They suffer from an overreliance on part-time instructors, limited opportunities for teacher training, and inadequate investments in curriculum development and program innovation.

Of serious concern is the shortage of qualified full-time faculty members. Basic skills faculty must be skilled in serving the needs of the adult learner. Qualified basic skills faculty need additional training in the latest methods of delivering basic skills instruction through new technologies such as computers and interactive video disks. In addition, basic skills programs need more recruiters, more specialists to provide assessments and help retain students in basic skills programs, and more career counselors.

RECOMMENDATION 19:

The State Board should upgrade the capacities of individual community colleges to recruit and retain underskilled adult learners.

To provide underskilled adults with the support they need to progress toward their educational goals, basic skills programs should place greater emphasis on recruitment and retention. The community colleges should intensify efforts to reach out and bring underskilled adults into remediation programs by providing adequate staff for outreach activities and fostering cooperation with public schools, community organizations, state agencies, the criminal justice system, and business and industry. Annual outreach plans should be developed at all community colleges. The State Board should provide funding to expand support services and provide individualized assistance to improve retention and to hire personnel trained in comprehensive career counseling. Businesses should also be called upon to cooperate and support these activities.

RECOMMENDATION 20:

The State Board should provide for adequate faculty and support staff in basic skills programs.

Increased use of full-time faculty and provisions for adequate training opportunities for part-time basic skills faculty should be a goal of each community college. The State Board should ensure that adequate programs exist to provide preservice training and continuing education to those providing basic skills instruction.

RECOMMENDATION 21:

The State Board should monitor effectiveness toward serving the underskilled and devise means to provide funding based on performance.

State and community college personnel should measure the effectiveness of basic skills instruction they provide. Each college should assess its record in helping students to obtain basic workplace competencies, succeed in further education and training programs, enter employment, and boost earnings. A proportion of the system's basic skills funds should be awarded on the basis of performance by 1993. As an interim measure, a system-wide "Basic Skills Report Card" should document community colleges' annual progress toward serving underskilled adults. This report card should provide data on recruitment and retention of underskilled adults, rates of program completion, and placement of basic skills students either in jobs or in advanced education.

THE GOAL

Exemplary Education for the Underskilled.

Expanding the pool of educated, employable adults should be a priority for the community colleges as the state faces an increased need for skilled workers. Because of the importance of this activity, performance in this area should be measured, assessed, and tied to funding for basic skills activities. The system must develop more performance-based funding structures similar to the Human Resources Development program which has a payback index to measure program effectiveness.

THE CHALLENGE

Help Business and Industry Adapt to Technological Change and Promote Small Business Development Throughout the State.

The community college system's focus on economic development dates back before the creation of the system itself, to the 1950s when the Industrial Education Centers were created to train citizens in the skills needed by industry. Since then, the system has been a major factor in expanding the state's manufacturing base through specialized programs such as the Focused Industrial Training program which allows community colleges to deliver services tailored to the needs of particular businesses and industries. The emergence of a global economy demands that the community colleges intensify their efforts to assist the businesses and industries within their service areas in adapting cost-cutting and efficiency-producing technologies. Equally important will be efforts to expand services to small business owners and emerging entrepreneurs who will create many of the new jobs in the future.

THE GOAL:

Workplaces with Competitive Technology.

As North Carolina's businesses adjust to the twin challenges of technological change and international competition, the community colleges must intensify support for business and industry. By serving existing businesses and budding entrepreneurs through worker training and retraining, technological extension, and the brokering of state-level resources, the community colleges can speed the pace of technological advancement in North Carolina. In addition, the system can assist in the dissemination of existing technologies, especially to small and medium-sized businesses. Most important, however, the community colleges must accept the challenge to equip the workforce with the technical skills needed to operate and maintain these technologies. Retraining the existing workforce through occupational extension courses will take on a greater importance in the future as workers are called upon to perform new and more challenging occupational tasks. Regular contact with business and industry within the local service area will be required to identify needs for community college assistance. Ultimate responsibility for this sort of outreach should rest with each college president.

RECOMMENDATION 22:

The State Board should expand the capacity of the community college system to provide customized training to advance technological change.

The community colleges should work with employers to assess workplace training needs and

provide customized basic and technical training to help businesses upgrade the productivity of their workforce and adapt to emerging technologies. Several approaches should be the focus of these efforts.

- ◆ Coordinated outreach to business and industry should be an assigned duty of full-time vocational and technical faculty and integrated into yearly work plans. Colleges should set goals to serve businesses seeking to upgrade or retool in key sectors of the local economy, and coordination of these efforts should be an assigned administrative function.
- ◆ The Focused Industrial Training program should be expanded to spread the system's customized training capacity to a greater number of campuses, and to support delivery of customized basic and advanced skills retraining in the state's workplaces.
- ◆ The State Board should examine ways to raise the level of funding for occupational extension courses by 1995 and to increase the use of full-time faculty in these courses.
- ◆ The State Board should examine the current policies toward the use of state funds to provide training for business and industry and seek methods to undertake selective training on a contract and fee basis.

RECOMMENDATION 23:

The State Board should create specialized technology centers to provide expert assistance to key industries in the state.

An initial assessment by a task force to the State Board should be completed by 1990 to identify the

key industrial sectors which warrant the development of specialized technology centers over the next five years. Though limited in number, these centers will be crucial to increase the capacity of the community college system to spread state-of-the-art technologies to key sectors of North Carolina's economy. Community college faculty throughout the system should be able to receive advanced training through the centers, which should also offer a range of services to industry including the dissemination of technological innovation and training of workers on up-to-date equipment. Adequate funding for the centers should be secured by 1995.

THE GOAL:

Job Creation Through Expanded Entrepreneurship.

The community college system recognized the growing importance of small businesses to the economic fabric of the state when it established the Small Business Center Network, providing assistance to potential entrepreneurs and existing small businesses. In the future, these centers will need to broker the full range of federal and state resources that now exist to assist small business owners including the U.S. Small Business Administration, UNC's Small Business and Technology Development Centers, the N.C. Technological Development Authority, the N.C. Biotechnology Center, the N.C. Rural Economic Development Center, and the N.C. Enterprise Fund as well as the specialized technological expertise available through other programs of the community college system and the Industrial Extension Service. The Small Business Center Network represents an ideal tool for the dissemination of this information, especially in rural areas of the state.

RECOMMENDATION 24:

The State Board should strengthen the Small Business Center Network to increase its ability to serve small businesses throughout the state.

The State Board should provide access to the Small Business Center Network at every college and increase funding to allow the centers to assist a range of small businesses including retail, service, and small manufacturing firms. The centers should act as a broker for statewide resources and provide entrepreneurial training and other business assistance services. Selected centers should be encouraged to develop advanced expertise and serve as resources for the entire network.

THE CHALLENGE:

Build Strong Partnerships with the Public Schools and the State's Universities to Establish a Comprehensive Education System in North Carolina

The community colleges occupy a unique position in the education landscape, located midway between high schools and public and private four-year universities and colleges. For thousands of North Carolinians, they are the first rung in our ladder to higher education, the stepping stone to advanced educational opportunity; for thousands more they should be. Formal agreements to coordinate programs and facilitate student transfers now exist among the state's three public education systems, but they are too few and often too tentative to permit the community colleges to fulfill their special mission as bridges to opportunity.

THE GOAL:

An Integrated State Education System.

The public schools, community colleges, and four-year colleges and universities will need to increase cooperative efforts to raise the state's level of educational attainment and ensure the best use of public education dollars. While existing legislation calls for information-sharing among the governing boards of the three public education systems, more coordination of day-to-day operations is needed to achieve a comprehensive and integrated system of public education. In many states, this type of coordination is mandated.

Community colleges and public school systems will need to develop alternatives to prevent high school students from dropping out and to channel more students through high school to vocational and technical programs at community colleges. Public schools must continue to explore ways to pool resources with community colleges and to link technical preparation at the high school level with advanced technical curricula at the community college. "Tech Prep" programs which link specialized high school curricula in science and math with advanced technical training at the community college represent a particularly promising model.

The community colleges must enhance their role as a stepping stone to four-year-college education, especially for minority students. The number of transfer students matriculating within the state's four-year institutions must be increased: Currently 16 community colleges offer no transfer options to their students. The university system should adopt special measures to facilitate transfers from community colleges. Private colleges and universities can also

assist in efforts to expand access to higher education and upward mobility. The remediation problem faced by four-year colleges and universities should be addressed through cooperation with community colleges.

RECOMMENDATION 25:

The General Assembly should require the chief executive officers of the three public education systems to meet regularly.

The General Assembly should mandate these meetings to coordinate the state's public educational policies and require an annual report on progress toward statewide coordination of public educational services. Chairmanship of these sessions should rotate annually. Meetings should produce coordinated programs among the three systems including the development of sequenced curricula in the primary subject areas of English, math, and science. Regular channels of communication with private colleges and universities should be maintained.

RECOMMENDATION 26:

The State Board of Community Colleges and the State Board of Education should require all community colleges and public high schools to develop cooperative efforts.

Cooperative measures should expose all junior high and high school students to the programs offered by the community colleges. The "Tech Prep" model, cooperative dropout prevention programs, and dual credit programs with public high schools should be replicated.

RECOMMENDATION 27:

The State Board should expand the effectiveness of college transfer programs as bridges to higher education.

Access to college parallel courses should be provided on each campus. A special emphasis should be placed on reversing the decline in the percentage of minorities participating in these programs. Each college should establish numerical goals for increasing the number of students who successfully matriculate at public and private four-year colleges and universities. In addition, the following steps should be undertaken.

- ♦ Committees of community college and university faculty should design a core curriculum for each program to be offered by all community colleges to enable credits to automatically transfer upon a student's acceptance into a four-year school.
- ♦ The State Board should work with the UNC system and private colleges and universities to develop more programs enabling two-year technical program graduates to acquire bachelor's degrees through two additional years of university-level study.
- ♦ Colleges should designate an articulation officer to disseminate information on college parallel options, coordinate transfer credit procedures, and report biennially on the number of students transferred to four-year institutions.
- ♦ Cooperative agreements among community colleges and universities to share faculty and other resources should be encouraged by the State Board of Community Colleges and the UNC system.

THE CHALLENGE:

Develop Strong Leadership for the System and Its Colleges.

Unless action is taken to build leadership capacity and clarify governance responsibilities, the system's future development and quality will be impaired. A systematic means for identifying, training, and renewing executive leadership is required to steer the community colleges through new and challenging times. Effective governance of the system is often hampered by ambiguous roles and relationships among those charged with policy formulation and oversight: the State Board, the State President, the state staff, local boards of trustees, and the chief administrative officers of the individual colleges. The state should take the necessary steps to produce vigorous leadership and strong governance for the next 25 years.

THE GOAL:

Visionary Leadership for the Future.

The vitality of the system will be determined by the manner in which the system identifies and prepares its future leaders. To provide quality educational experiences, the community colleges must establish an outstanding professional development program with an interdisciplinary approach to leadership training. A visible commitment from the State Board and General Assembly to build strong leadership for community colleges is essential. Programs to train community college administrators will need to teach a wide range of skills including management techniques. By increasing the number of faculty positions and providing opportunities for doctoral students to do research and participate in fellowships, the state will improve the ability of UNC's adult and community college education programs to assist community colleges throughout the state.

RECOMMENDATION 28:

The State Board should work with the University of North Carolina System to establish a comprehensive professional education network for community college presidents and administrators.

An exemplary professional education system for community college presidents and administrators should be established. The university system's adult and community college education doctoral programs should be enhanced to conduct a wider range of applied research and assistance on community college campuses. Resources of the UNC system – including programs within schools of education, business schools, public administration programs, and the Institute of Government – should be extensively involved in the design and delivery of programs to train future leaders. The following steps should be undertaken.

- ◆ Community college leadership programs and curriculum development activities carried out by the UNC system for the community colleges should be coordinated through an administrative position reporting to the Board of Governors.
- ◆ A chair in Community College Studies should be established as part of a comprehensive effort to strengthen the capacity of the UNC system's adult education doctoral program to attract nationally recognized faculty. Steps should also be taken to engage faculty and students in applied research and technical assistance activities on community college campuses.
- ◆ Courses providing credits toward the doctoral program at North Carolina State University should be offered at selected other UNC system campuses to provide greater access to the doctoral program.
- ◆ Annual fellowships should be provided to fund a full year in doctoral study or dissertation preparation at colleges or universities approved by the State Board.

THE GOAL:

Responsive Governance and Management.

To keep pace with changing education and training needs, effective governance will be required at both the state and local levels. The capacity of the state staff to provide specialized technical assistance to the colleges will need to be enhanced, and increased flexibility and responsive management will be demanded at each community college. In addition, the responsibilities of the State Board and the boards of trustees should be clearly delineated to allow each governing body to utilize its time and talent most effectively.

Both the national Association of Governing Boards and the North Carolina Association of Community College Trustees have identified the competencies that community college trustees will need to provide guidance and governance into the next century. Trustees must possess a thorough knowledge of their responsibilities for resource allocation, of the specific mission and focus of their college, of statewide priorities and goals, and of service area needs and priorities.

RECOMMENDATION 29:

The State Board should institute an improved system for governing and managing the community colleges.

To implement the recommendations of the Commission and administer operations and funding, the system will need to restructure the methods of governing and managing the state's community colleges. The following steps should be undertaken.

- ◆ The General Assembly should reconstitute the Department of Community Colleges as an independent body reporting to the State Board. The reconstituted staff should serve as a resource to the State Board by providing the information needed to support system-wide policy development and as a resource to the community colleges to provide specialized technical assistance. An independent analysis of the functions, organizational configuration, and staff salary structure required to support the State Board and to act as a resource to the individual colleges should be performed. The salaries of the State President and other top administrative positions should be commensurate with new responsibilities.
- ◆ A task force with broad representation from across the system should be established to determine the specific divisions of responsibilities among the State Board, the State President, the state staff, the boards of trustees, and the chief administrative officers of the community colleges.

RECOMMENDATION 30:

The Governor and General Assembly should continue to recognize the importance of knowledgeable and dedicated members to the State Board of Community Colleges.

A strong State Board is necessary to guide the system through this period of transformation. The State Board should exercise the following critical duties to:

- ◆ Speak as the final authority for the system and its colleges;

- ◆ Select the President of the North Carolina Community College System;
- ◆ Approve selection of college presidents;
- ◆ Seek and account for adequate funding for the system;
- ◆ Oversee planning and coordination of statewide resources;
- ◆ Require and review comprehensive biennial plans from each college and hold colleges accountable for progress toward goals;
- ◆ Establish program standards;
- ◆ Monitor community college effectiveness;
- ◆ Ensure adherence to the mission of the system;
- ◆ Ensure access to system programs and services;
- ◆ Ensure the quality of programs and services.

RECOMMENDATION 31:

The General Assembly, the Governor, and other appointing agencies should continue to recognize the need for dedicated and knowledgeable trustees.

The General Assembly should lengthen the term of office for trustees to six years, provide for staggered terms, and permit no more than two consecutive terms. Critical duties of trustees should include the responsibilities to:

- ◆ Select and recommend to the State Board a candidate for the presidency of the college;
- ◆ Evaluate the performance of the college president;
- ◆ Acquire adequate funding for the college through the State Board, local governments, and private contributions;
- ◆ Oversee the development and implementation of college plans and budgets;
- ◆ Ensure adequate management policies for the college;
- ◆ Ensure adherence to the mission of the college;
- ◆ Preserve citizen access to the programs and services of the college;
- ◆ Oversee the development of measurable objectives for meeting statewide standards and college goals.

RECOMMENDATION 32:

Boards of trustees should be equipped to face the challenge of leading the community colleges through the next 25 years.

The system should expand opportunities for trustees to learn about issues affecting community colleges. The Department of Community Colleges, Association of Community College Trustees, and

Association of Community College Presidents should provide opportunities such as regional seminars or retreats; training and orientation programs using teleconferencing; and increased opportunities for interaction among trustees and State Board members. Trustees should also be informed of programs available through national organizations such as the Association of Governing Boards. In addition, all boards of trustees should adopt the code of ethics for trustees proposed by the National Association of Community College Trustees outlining the requirements and responsibilities of board members.

RECOMMENDATION 33:

The State Board should increase opportunities for state-level and college personnel to share expertise.

The State Board should take action to increase the opportunities for state staff employees to gain experience at the college level and for community college employees to gain state-level experience. As a first step, internships as Special Assistants to the Vice Presidents at the Department of Community Colleges should be established to enable doctoral students and campus-level staff to gain firsthand experience at the state level.

6

Implementing the Recommendations:

A Timetable for Progress

The goals laid out by this Commission present an imposing agenda for the community college system and for the state. To meet the demands that it will face, the system must effect major transformations quickly. A well planned and carefully executed program of implementation is required to guarantee timely progress toward the Commission's objectives. We believe the following schedule should shape the implementation plan.

The Commission proposes that its recommendations be phased in over a six-year period, beginning immediately and continuing through 1995. During this period the system's annual per-student expenditures would be increased to the current national median for community college systems, adjusted for inflation. The proposed schedule would result in an increase in annual expenditures of \$135 million in constant dollars by the 1993-95 biennium. Thirty-five percent of the increase (\$47,250,000) should be scheduled for the 1989-91 biennium. An additional 60 percent (\$81,000,000) would fund changes during 1991-93. During the 1993-95 biennium, the state should raise the system's annual per-student expenditure to the national median for community colleges. While not all of the Commission's recommendations require new funds, the Appendix indicates those requiring new dollars and the biennium in which new funds would be spent.

The Commission's proposals to assure every student access to high quality teaching and academic support services require an investment of \$89.9 million, or 67 percent of all proposed new funds. Four out of every five dollars invested in this area would be used to raise faculty salaries to the median level in the Southeast by 1992 and the top quartile of the Southeast by 1995. We propose that efforts begin immediately to expand professional development opportunities for faculty and staff, to develop innovative teaching curricula, to implement a student monitoring and tracking system, to expand access to child care services, and to conduct an analysis of the factors inhibiting entry and retention in the state's community colleges. During the 1991-93 biennium,

the system should act to reduce identified barriers to access and retention including the financial barriers that inhibit enrollment by the state's poorest adults. By the 1993-95 biennium, the state should establish the Center for Experimentation in Curriculum and Teaching Methods and should ensure system-wide use of computer-based instruction, teleconferencing, and other advanced techniques for delivering academic and vocational and technical training.

The Commission proposes an additional investment of \$6.7 million, 5 percent of the total funding increase, to establish effective mechanisms to promote accountability and increase flexibility in funding. During the first biennium, the system should secure funding for a planning position at each college so that every institution is prepared to submit a two-year plan to the State Board for the 1991-93 biennium. By the end of 1989, the task force revising procedures for distributing state funds should report to the State Board and General Assembly so that funding modifications can be phased in for the 1990-91 program year. The task force investigating ways to reward excellent performance should make certain that a reward system is in place by 1990-91. The community college system should complete improvements in its data collection mechanisms by the end of the first biennium to assure an adequate data base for planning and evaluation activities at the colleges.

The challenge of providing adult North Carolinians expanded opportunities to master basic critical thinking skills would require a significant expansion in personnel and programs. The Commission proposes an additional investment of \$16.5 million for this effort, nearly 12 percent of total new funding. Approximately 60 percent of the new funding would be required during the first biennium to expand outreach and counseling activities among remedial programs and to extend the Human Resources Development program to all 58 campuses. Only modest increases are proposed for these activities during the second biennium, but by 1993-95 the state should be prepared to increase allocations to accommodate the increased enrollments that should result from improved recruitment and retention. The Commission recommends that the community college system take immediate action to upgrade the basic skills curriculum, improve the teaching skills of basic skills instructors, and increase use of full-time faculty in the basic skills curriculum.

The Commission proposes that an additional investment of \$18.3 million, approximately 14 percent of suggested new funding, be devoted to helping business and industry adapt to technological changes and promoting small business development. Priorities for the 1989-91 biennium include expansion of the Focused Industrial Training program to serve more campuses, and the funding to give each campus access to the Small Business Center Network and the

capacity to provide entrepreneurial training and business assistance services. During the first biennium, the State Board also should present a plan for providing additional funding to occupational extension courses for the second and third bienniums. Funding for specialized technology centers should be allocated immediately with a goal of providing \$5 million expansion by 1995.

The task of building strong partnerships with the public schools and the state's universities would require only modest support. The Commission has proposed that \$2.7 million, approximately 2 percent of overall additional funding, be set aside to support expansion of college transfer programs to every campus by the 1991-93 biennium. Other recommendations in this section, including quarterly meetings of the chief executive officers of the three public education systems, can be implemented immediately without special allocation of funds.

The task of developing strong leadership for the system and the colleges would require long-term investment but should begin immediately. The Commission proposes a new investment of \$1.1 million, less than 1 percent of overall new funding, for this effort. An early priority would be to improve the system for governing and managing the community colleges by reconstituting the Department of Community Colleges as an independent body reporting to the State Board, adjusting the organizational configuration and salary structure of the state staff, and establishing a task force to determine specific divisions of governance responsibilities. The State Board should be prepared to begin implementing governance improvements by 1990, while the General Assembly should take action in 1989 to modify rules governing the terms of office of community college trustees. Because of the importance of developing tomorrow's leaders, all recommendations for improving leadership development are scheduled for implementation during the first biennium.

North Carolina's community colleges are at a crossroads. We have a rare opportunity to build a distinguished system that can prepare our people for the workplace and the economy of the future. For 25 years community colleges have been our competitive edge for economic and educational progress. If we are to keep that edge, we must invest now.

This Commission calls on North Carolina's political, business, and educational leadership to lend their full support to the program we have laid out. Every day we delay, our state falls a step backwards.

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Appendix: Funding Projections

Annual Expenditures By Biennium for Recommendations Requiring Additional Funds.

Challenge: Provide Every Community College Student Access to Quality Teaching and Academic Support Services

Goal	Recommendation	1989-91	1991-93	1993-95
An Exemplary Faculty and Staff	1. Professional Development	\$ 2,280,656	\$ 4,505,928	\$ 7,430,046
	2. Faculty Salaries	21,228,848	42,457,695	74,725,543
Effective Learning Experiences	5. Innovative Teaching Grants	450,000	450,000	450,000
	5. Center for Experimentation in Curriculum and Teaching Methods			368,942
	5. New Curriculum Materials	374,176	400,000	400,000
Educational Advancement For All Adult Learners	6. Student Monitoring System	1,000,000	2,000,000	3,100,000
	8. Reduction of Financial Barriers		800,000	1,000,000
	9. Child Care Grants	600,000	1,000,000	2,400,000
	10. Access Study*	100,000		
	Subtotal	\$26,033,680	\$51,613,623	\$ 89,874,531

Challenge: Establish Effective Mechanisms to Promote Accountability and Increased Flexibility in Funding

Goal	Recommendation	1989-91	1991-93	1993-95
Flexible Funding Tied To Performance	11. Fund for Critical Needs Program Starts and System-wide Research	\$ 1,500,000	\$ 1,500,000	\$ 2,500,000
	12. Excellent Performance Awards	500,000	1,000,000	1,500,000
Strategic Goal Setting and Assessment	13. Planner at Each College	2,561,517	2,561,517	2,561,517
	14. Improve Data Communication from Colleges to state office*	1,000,000		
Channels For Outside Assessment	15. Implementation Monitor	100,000	100,000	100,000
	Subtotal	\$ 5,661,517	\$ 5,161,517	\$ 6,661,517

Challenge: Provide Opportunities for All Adult North Carolinians to Master the Basic Critical Thinking Skills Demanded in a Complex and Competitive Economy

Goal	Recommendation	1989-91	1991-93	1993-95
A Workforce With Comprehensive Basic Skills	18. Upgrade Human Resources Development Program	\$ 500,000	\$ 500,000	\$ 1,000,000
Eradication of the Basic Skills Gap	19. Outreach to Underskilled Adults	663,500	829,375	1,924,150
	20. Comprehensive Career Counseling	3,561,742	4,109,701	8,013,919
	20. Additional Full-Time Faculty	5,537,941	5,537,941	5,537,941
	Subtotal	\$10,263,183	\$10,977,017	\$ 16,476,010

Challenge: Help Business and Industry Adapt to Technological Change and Promote Small Business Development Throughout the State

Goal	Recommendation	1989-91	1991-93	1993-95
Technologically Competitive Workplace	22. Expand Focused Industrial Training	\$ 1,235,000	\$ 1,235,000	\$ 1,235,000
	22. Increase Occupational Extension Funding		4,380,615	10,120,714
	23. Specialized Technology Centers	1,000,000	2,000,000	5,000,000
Job Creation Through Expanded Entrepreneurship	24. Upgrade and Expand Small Business Centers	1,896,620	1,896,620	1,896,620
	Subtotal	\$ 4,131,620	\$ 9,512,235	\$ 18,252,334

Challenge: Build Strong Partnerships with the Public Schools and the State's Universities to Establish a Comprehensive Education System in North Carolina

Goal	Recommendation	1989-91	1991-93	1993-95
An Integrated Public Education System	27. Expand College Parallel Program		\$ 2,680,608	2,680,608
	Subtotal		\$ 2,680,608	\$ 2,680,608

Challenge: Develop Strong Leadership for the System and Its Colleges

Goal	Recommendation	1989-91	1991-93	1993-95
Visionary Leadership For the 21st Century	28. UNC Coordinator of Community College Studies	\$ 80,000	\$ 80,000	\$ 80,000
	28. Chair of Community College Studies	100,000	100,000	100,000
	28. Fellowships	400,000	400,000	400,000
Responsive Governance and Management	29. Analysis of Organization and Salary Structure of state office*	150,000		
	29. Upgrade Executive Salary Structure of State Staff	30,000	75,000	75,000
	33. Intern Program	400,000	400,000	400,000
	Subtotal	\$ 1,160,000	\$ 1,055,000	\$ 1,055,000
	TOTAL	\$47,250,000	\$81,000,000	\$135,000,000

* One-time expense.

COMMISSION ON THE FUTURE OF THE NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

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